

## **PRESENTATION**

March, 10, 2010

To: United States International Trade Commission

Subject: Small and Medium Sized Enterprises: US and EU Export Activities, and Barriers and Opportunities experienced by U.S. Firms:

From: Stephen C. Mitchell, President, Magna Technologies, Inc.

My name is Stephen Mitchell, and I am president of Magna Technologies, Inc., a small business exporter in Saint Charles, Missouri. In 1995, we were named the SBA's Exporter of the Year.

Magna Technologies is a producer, integrator, and supplier of test & measurement equipment, aerospace spare parts, medical, and defense-related equipment -- and we export to many areas of the global marketplace.

I have been involved with small and medium-sized exporters since 1981. However, after almost 30 years of exporting, we would still have some difficulty in identifying solutions or giving guidance toward problems that new exporters might face.

The problems facing new exporters today? The most discussed problems being faced by companies who are thinking about getting involved in exporting are:

- What countries would be the best fit for my product ?
- Are there countries I can not export products ?
- How do we identify potential customers within a country?
- How can we obtain export financing ?
- What is a letter of credit ?

- What about customers who insist upon receiving Net 30 Day payment terms or open account? How do we know we will receive payment?

These are the first questions, and very important questions -- but then comes the tough part. These other issues generally can not be answered by the SBA, World Trade Organizations, International Trade Commissions, local banks, or attorneys. The weakness in educating perspective US companies about exporting comes from the lack of easily identifiable resources that can provide knowledge on the most basic questions:

- How do we complete a Shippers Export Declaration?
- Do I need to register with the US Government as an exporter?
- Does my product need a validated export license? How can I find out?
- What is the difference between an export license from the Dept of Commerce, and the Dept of State?
- What is the difference between Export Administration Regulations (EAR) and International Traffic and Arm Regulations (ITAR).
- If I ship items to one country, and someone else re-ships them to an embargoed country – then is it my problem?
- What is an end-user certificate ?
- What is a Schedule B number? What is it used for?
- What is an Export Commodity Control Number (ECCN) ?
- Am I the exporter, or is Federal Express, DHL, or the Freight Forwarder the exporter ?
- What is a freight forwarder?
- What documents are needed by US customs for exporting?
- What documents are needed by the importing country to easily clear customs upon arrival.

## **FINALLY -- WHO CAN I CONTACT TO OBTAIN ANSWERS TO THESE QUESTIONS ??**

If new small and medium sized business can find answers to the 1<sup>st</sup> six (MOST DISCUSSED) questions -- then the real headaches begin with these last questions. I want to repeat -- after 30 years of exporting, we would still have some difficulty in identifying resources who might be able to answer these questions/problems that new exporters might face.